

**UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

ID LOGISTICS WAREHOUSING, LLC FKA
KANE WAREHOUSING, LLC,

Plaintiff,

-against-

HUB GROUP, INC.,

Defendant.

JURY TRIAL DEMANDED

COMPLAINT

Plaintiff ID Logistics Warehousing, LLC fka Kane Warehousing, LLC (“ID”), by and through its undersigned attorneys, Quinn Emanuel Urquhart & Sullivan, LLP, brings this Complaint for declaratory relief, damages, and other relief against Defendant Hub Group, Inc. (“Hub Group”), and alleges as follows:

INTRODUCTION

1. This action arises from Hub Group’s continued, willful failure to pay for services that ID provided to Hub Group under a valid contract, and Hub Group’s obstructive and dilatory tactics when confronted with repeated requests for payment.

2. In May 2024, ID and Hub Group entered into a warehouse contract, whereby ID agreed to provide warehousing and logistics services to Hub Group. Under the contract, Hub Group assumed the lease and became the tenant of a warehouse in Scranton, Pennsylvania, that was previously leased by ID. The contract had a six-month term, from July 2024 to December 2024. Pursuant to the contract, ID submitted monthly invoices to Hub Group for its services, which Hub Group was obligated to pay within 30 days of receipt.

3. But Hub Group soon refused to pay for ID's services. After belatedly paying the first month's invoice (July 2024), Hub Group stopped paying further invoices due to supposed discrepancies between line items on invoices and fees actually incurred. Yet when ID pressed for details about the discrepancies in a good-faith effort to resolve the dispute, Hub Group refused to substantiate its claims or provide any specifics, even as ID continued performing its end of the bargain by providing valuable warehousing and logistics services to Hub Group.

4. For the past several months, ID has diligently worked with Hub Group to provide detail and documentation of charges upon request, has offered to walk through any charges on a line-by-line basis, and has repeatedly made its senior leadership available for discussions of a possible resolution. But Hub Group has not reciprocated these good-faith efforts. Instead, it has continuously stalled, refused to substantiate its purported concerns, refused to accept valid explanations, and even denied receiving backup documentation that it confirmed receipt of months earlier.

5. Hub Group's conduct is a clear breach of the parties' contract, which requires Hub Group to pay invoices within 30 days or, in the event of a dispute, to promptly pay undisputed amounts and provide detailed written notice of disputed charges. For five of the six months of the contract term, Hub Group failed to pay *any amount* of the invoice within 30 days, while also failing to properly dispute any charges. As of this filing, Hub Group has paid a mere \$1,951,028 of the \$7,041,632.66 total that it owes to ID for invoices from July through December 2024.

6. ID now brings this action to recover \$5,090,604.66 owed under the contract, along with interest and attorneys' fees.

PARTIES

7. ID Logistics Warehousing, LLC, is a limited liability company incorporated under the laws of the State of Pennsylvania. It maintains its principal place of business at 3 Stauffer Industrial Park, Scranton, PA 18504.

8. Hub Group, Inc., is a corporation incorporated under the laws of the State of Delaware. On information and belief, it maintains its principal place of business at 2001 Hub Group Way, Oak Brook, Illinois 60523.

JURISDICTION AND VENUE

9. The jurisdiction of this Court is proper under 28 U.S.C. § 1332 as this action is between citizens of different states and the amount in controversy, exclusive of interest and costs, exceeds the sum of \$75,000.

10. Venue is proper in this district under 28 U.S.C. § 1391 as the events or omissions giving rise to the claims at issue occurred within the district and Hub Group is subject to personal jurisdiction within the district.

11. Hub Group is subject to personal jurisdiction in Pennsylvania because it has conducted business in Pennsylvania and the claim at issue arises from Hub Group's business activities in Pennsylvania.

FACTUAL ALLEGATIONS

A. ID and Hub Group Enter a Valid Contract

12. ID Logistics Warehousing, LLC is a logistics and transport company. ID provides warehousing, third-party logistics, and transportation services.

13. On July 26, 2006, Hub Group's contractual predecessor, CaseStack, entered into a warehouse agreement with Kane Warehousing, Inc. (ID's contractual predecessor), under which

Kane Warehousing, Inc. would provide warehousing services to CaseStack. **Exhibit 1** (“Agreement”).

14. On May 1, 2024, Hub Group became the successor-in-interest to CaseStack under the Agreement.

15. On May 28, 2024, ID and Hub Group entered into Amendment No. 19 to the Agreement. **Exhibit 2** (“Amendment No. 19”). Under Amendment No. 19, Hub Group assumed the lease and became the tenant of the facility located at 24 Stauffer Industrial Park, Scranton, PA 18504 for the period of July 1, 2024 to December 31, 2024.

16. The Agreement states that ID “shall be the sole and exclusive logistics provider (“LP”) within the [facility] at all times during the Amendment 19 Term. For avoidance of doubt, LP services may include, but are not limited to, supply chain, warehouse management, storage, operations, inventory, shipping, picking, receiving, cross-dock, lumper, yard jockey, maintenance, etc.” Amendment No. 19 § 1(c).

17. Under the Agreement and Amendment No. 19, Hub Group, as tenant, was obligated to “pay all Fees [for warehousing and logistics services] within thirty (30) days of the date of the invoices,” and to “pay an estimated bill 30 days prior to the termination or expiration date of the Agreement” in the final month of the Agreement. *See* Agreement § 19(a); Amendment No. 19, Schedule B ¶ 1.

18. The Agreement and Amendment No. 19 provide that, if Hub Group disputes any charges on a monthly invoice, it must (1) “promptly pay all undisputed charges,” and (2) “file a written notice of dispute related to any invoice within 30 days of receipt of the invoice,” which must include the “invoice number, date of invoice and reason for dispute.” Agreement § 19(b).

B. Hub Group Immediately Breaches the Parties' Contract by Failing to Pay Invoices For ID's Services

19. Under the Agreement and Amendment No. 19, ID sent Hub Group monthly invoices for its warehousing and logistics services. ID sent those invoices on a monthly basis for services that it provided during the contractual term.

20. At the outset, Hub Group defaulted on its obligations under the Agreement and Amendment No. 19 by failing to pay any amount of the July 2024 invoice within 30 days of receiving that invoice, while failing to provide proper written notice of any disputed charges. Only after ID inquired into its non-payment did Hub Group eventually pay the July invoice.

21. Then, in October 2024, when the invoice for August warehousing services came due, Hub Group again breached its obligation under the Agreement and Amendment No. 19 by failing to pay any amount of that invoice within 30 days, while again failing to provide proper written notice of any disputed charges. When ID again inquired into the non-payment, Hub Group indicated that it had not paid the invoice due to unspecified "discrepancies." In doing so, however, Hub Group did not comply with the Agreement, which requires written notice of any dispute to be provided within 30 days of receipt of the invoice, which written notice must include "the invoice number, date of invoice and reason for dispute." Agreement § 19(b).

22. Although Hub Group did not properly dispute any amounts, ID promptly provided further documentation behind the charges associated with the August invoice and offered to clear up any further concerns as soon as possible.

23. But Hub Group never paid the August invoice, nor did it ever substantiate the alleged discrepancies. As of today, Hub Group has not paid the August invoice, in clear breach of the Agreement and Amendment No. 19.

C. Hub Group Continues Breaching and Responds to ID's Good-Faith Efforts to Resolve the Dispute With Obstruction and Delay

24. Hub Group continued breaching the Agreement and Amendment No. 19 by failing to timely pay *any amount* due under the September, October, November, and December invoices, including undisputed amounts. Despite continuing references to alleged unspecified “discrepancies,” Hub Group has identified no actual discrepancies—much less overcharges—despite being asked to do so for months. Nor did Hub Group ever properly dispute any charges under the Agreement by providing written notice of dispute within 30 days setting forth the reasons for the dispute.

25. On November 8, 2024, ID sent Hub Group an official notice of breach of the Agreement and Amendment No. 19. Although Hub Group confirmed receipt of the notice of breach and notified ID that it intended to pay the amounts owed, Hub Group failed to cure its breach or pay the amounts owed. Instead, Hub Group continued to ask for more and more detail or documentation, sometimes requesting documents that it had already received and confirmed receipt of months earlier.

26. Despite Hub Group's flagrant, ongoing breach, ID continued indulging Hub Group's requests for detail and documentation of charges. In November 2024, at ID's request, the companies arranged a meeting between their senior executives to discuss Hub Group's ongoing non-payment. In December 2024, ID's senior leadership met with Hub Group to provide a line-by-line walkthrough of the outstanding invoices. Tellingly, however, Hub Group had *no* specific questions related to *any* of the outstanding invoices or questions related to its supposed “audit” of the invoices. Following this meeting, Hub Group acknowledged that at least \$2,842,106 of outstanding charges were valid and undisputed. But Hub Group still has not paid even those undisputed amounts.

27. At every turn, despite ID's good-faith efforts to resolve the matter amicably, Hub

Group has obstructed, including by requesting documentation it has already received, claiming that it needs more time to review documentation that has been in its possession for months, failing to accept valid explanations for line items, and repeatedly disregarding ID's inquiries about its non-payment. To date, Hub Group has yet to substantiate *any alleged discrepancy* between invoiced amounts and services actually provided.

28. In March 2025, Hub Group agreed to pay just \$338,057 of the \$5,428,661.66 that it owed to ID for services that ID provided and properly charged to Hub Group under the Agreement and Amendment No. 19 from August to December 2024. An additional \$5,090,604.66 remains unpaid and outstanding.

COUNT I: BREACH OF CONTRACT

29. ID incorporates herein by reference the preceding paragraphs 1–28 of this Complaint as if fully set forth in this paragraph.

30. In May 2024, ID and Hub Group entered into the Agreement and Amendment No. 19, which together form a valid contract. **Exhibits 1, 2.**

31. ID performed has fully performed and complied with all of its obligations under the Agreement and Amendment No. 19.

32. Under the Agreement and Amendment No. 19, Hub Group was obligated to pay for services within 30 days of receiving invoices.

33. Hub Group breached the Agreement and Amendment No. 19 by failing to pay \$5,090,604.66 in properly invoiced amounts for services that ID provided to Hub Group pursuant to the Agreement and Amendment No. 19.

34. Hub Group has no valid defense to its breach of the Agreement and Amendment No. 19.

35. ID has been damaged by Hub Group's breach of the Agreement and Amendment No. 19. Specifically, ID is owed \$5,090,604.66 for services that it provided to Hub Group pursuant

to the Agreement and Amendment No. 19.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that the Court enter judgment in Plaintiff's favor granting the following relief:

1. Declaring that Defendant breached the Agreement and Amendment No. 19;
2. Ordering Defendant to pay the \$5,090,604.66 owed under the Agreement and Amendment No. 19, plus interest;
3. Awarding Plaintiff its reasonable expenses and fees, including, but not limited to, legal fees and expenses, incurred in enforcing the terms of the Agreement and Amendment No. 19;
4. Granting such other relief as the Court deems just and proper.

Date: April 10, 2025

Respectfully submitted,

QUINN EMANUEL URQUHART
& SULLIVAN, LLP

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